



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-278617

159687

December 22, 1997

The Honorable Benjamin A. Gilman
Chairman, Committee on International
Relations
House of Representatives

Subject: Interparliamentary Group Review Procedures

Dear Mr. Chairman:

We have performed the procedures you requested to assist the Committee in evaluating the extent to which five House Interparliamentary Groups' Schedules of Receipts, Disbursements, and Fund Balance for the year ended December 31, 1996, appropriately reflect the cash receipts and disbursements and fund balance for the year then ended. The schedules present, for the year ended December 31, 1996, the opening fund balance, total receipts and disbursements by category, and ending fund balance, on a cash basis, for each of the following groups:

- British-American Interparliamentary Group,
- Canada-United States Interparliamentary Group,
- Mexico-United States Interparliamentary Group,
- United States-European Community Interparliamentary Group, and
- United States Group of the North Atlantic Assembly.

In summary, the procedures you asked us to perform included reviewing documentation supporting each group's recorded receipts and disbursements transactions and related fund balances for evidence that the transactions were properly authorized and recorded. As agreed to, we also recalculated the reported amounts using each group's general journal and supporting documentation and compared the recalculated amounts to the reported amounts in each group's 1996 schedules. The details of the agreed-upon procedures

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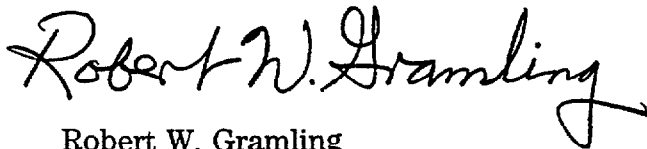
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along with our results are presented in enclosure I. The unaudited 1996 schedules for each of the five Interparliamentary Groups are in enclosure II.

By specifying the procedures, your office was responsible for ensuring that the procedures were sufficient to meet your objectives, and we make no representations in that respect. In performing the agreed-upon procedures, we conducted our work in accordance with generally accepted government auditing standards which incorporate financial audit and attestation standards established by the American Institute of Certified Public Accountants. These standards also provide guidance when performing and reporting the results of agreed-upon procedures. In agreeing to perform the procedures you requested, we discussed this guidance and the related limitations on the nature, scope, and intended use of our work with your office. As we did not perform a financial audit, we do not express an opinion on the schedules.

We provided a draft of this letter, along with its enclosures, to your staff for review and comment. They agreed with the contents of this letter and the enclosures. We conducted our work during November 1997. Should you or members of your staff have any questions concerning our work or the results of the agreed-upon procedures, please contact me on (202) 512-9406 or John J. Reilly, Assistant Director, on (202) 512-9517.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert W. Gramling". The signature is written in dark ink and is positioned above the printed name and title.

Robert W. Gramling
Director, Corporate Audits
and Standards

Enclosures

AGREED-UPON PROCEDURES AND RELATED RESULTSRECEIPTS PROCEDURES

1. Compare the appropriation received and recorded in the general journal for 1996 to evidence of the appropriation requested, received, and bank deposits recorded on the bank statements.
2. Compare the interest received and recorded in the general journal for 1996 to the interest credited on the group's 1996 bank statements.
3. Compare the other receipts recorded in the general journal for 1996 to deposit slips, bank statements, and/or other documentation evidencing the receipts.

RESULTS

For each group, annual appropriation, interest, and other receipts were accurately recorded in the general journal and supported by appropriate documentation.

DISBURSEMENTS PROCEDURES

For each of the reported disbursement categories (representational functions, interpreters/translators, travel, lodging, and miscellaneous), obtain and review vouchers, canceled checks, and other supporting documentation for each disbursement recorded in the general journal for 1996. As part of the review:

1. Compare the voucher amount to the amount disbursed per the general journal.
2. Compare the payee on the voucher to the supporting documentation.
3. Examine each voucher and supporting document for evidence that the (a) voucher was approved by an authorizing official, (b) designated official certified that the goods and/or services have been received, and (c) voucher was approved before it was drawn for payment.
4. Examine each canceled check to determine that the check was signed by the designated official and endorsed by the payee.

5. Examine the disbursement entry in the general journal to determine whether the journal entry included the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided.
6. Examine the check register and subsequent bank statements to determine if a check was recorded, issued, and paid for each payment voucher.

RESULTS

Checks for all 1996 disbursements were signed, recorded, issued, and endorsed. Each check disbursement entry in the general journal included the date of the check, the payee, the check number, the amount, and the description of the type or category of goods or services provided. The amount of each disbursement recorded in the general journal agreed with the amount on the related voucher and supporting documentation, and the payee on each check was the same as the payee on the voucher. All of the vouchers were prepared, certified, and approved before the payment was made except that each payment for the United States Group of the North Atlantic Assembly was made before a voucher was prepared and authorized.

We noted in our review of the United States Group of the North Atlantic Assembly's documentation for its disbursements that Committee staff had identified after year-end that all the Group's 1996 disbursements had been made without prior voucher preparation and approval. As recognized by the Procedures To Be Followed For Accounts Of Interparliamentary Groups issued by the House Committee on International Relations, the statutes governing the interparliamentary groups require that appropriated funds for the groups be disbursed on vouchers approved by the chairmen of the respective delegations. The Committee's procedures provide that designated staff are to prepare, sign, and have the Group's chairman approve vouchers before checks are drawn, except in limited instances when on-the-spot payments are necessary.

Based on a subsequent review of the individual disbursements, the North Atlantic Assembly Group's Chairman concluded that each disbursement was for a legitimate Group expense and that he would have approved vouchers for the disbursements if vouchers had been submitted in advance. Further, the Group's chairman requested that, as a matter of record, vouchers for the 1996 disbursements be prepared, approved, and dated with the date they were prepared. To assure compliance with internal controls, the staff responsible for preparing the Group's vouchers and checks were formally notified that a check is not authorized until the Group's chairman has signed a voucher.

OVERALL PROCEDURES AND RELATED RESULTS

1. Trace the opening fund balance for 1996 recorded in the general journal to the closing balance recorded in the general journal for 1995.
2. Trace the opening and closing fund balance for 1996 in the group's general journal and related bank statements to the opening and closing fund balance in the Schedule of Receipts, Disbursements, and Fund Balance for 1996.
3. Recalculate the ending balance for 1996 by adding all receipts posted to the journal to the opening balance recorded in the journal for 1996 and subtracting all disbursements or other charges recorded in the journal for 1996. Compare the results to the amount recorded as ending balance recorded in the general journal and on the schedule.
4. Using the amounts recorded in the general journal for 1996, recalculate (a) the total receipts and total disbursements for the year and (b) the total receipts for the year by category (appropriations, interest and other) and total disbursements for the year by category (representational functions, interpreters/translators, travel, lodging, and miscellaneous). Trace the recalculated amounts to the amounts in the 1996 Schedule of Receipts, Disbursements, and Fund Balance.
5. Review the reconciliation for the 1996 year-end bank statement and related reconciling items. Review subsequent bank statements for evidence that the reconciling items were posted as provided for in the reconciliation.
6. With respect to each procedure, obtain an explanation for any difference between amounts recorded in the general journal, the bank statements, and the Schedule of Receipts, Disbursements, and Fund Balance.

RESULTS

The groups' receipt and disbursement transactions were correctly recorded in their general journal and supported by appropriate documentation. In addition, for 1996, the receipts and disbursements, by category and in total, as well as the beginning and ending fund balance reported in each group's Schedule of Receipts, Disbursements, and Fund Balance for 1996, were correctly totaled and agreed with the amounts recorded in each group's general journal for the year.

1996 SCHEDULES FOR THE INTERPARLIAMENTARY GROUPS (UNAUDITED)British-American Interparliamentary Group

House of Representatives
 British-American Interparliamentary Group
 Schedule of Receipts, Disbursements, and Fund Balance¹
 For the Year Ended December 31, 1996
 (Unaudited)

Beginning Fund Balance ²	\$ 96,067.26
Receipts:	
Appropriation	\$ 25,000.00
Interest	2,564.28
Other ³	24.38
Total receipts	\$ 27,588.66
Disbursements:	
Representational functions ⁴	\$ 35,260.77
Total disbursements	\$ 35,260.77
Ending Fund Balance ⁵	\$ 88,395.15

¹ The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

² Beginning Fund Balance represents the balance at January 1, 1996 of interparliamentary group funds carried over from the prior period.

³ Other represents payment from a restaurant of unused prepayment amount.

⁴ Representational functions include the costs associated with holding the interparliamentary groups' conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

⁵ Ending fund balance represents the fund balance remaining at December 31, 1996 and available for use in a subsequent period.

Canada-United States Interparliamentary Group

House of Representatives
 Canada-United States Interparliamentary Group
 Schedule of Receipts, Disbursements, and Fund Balance¹
 For the Year Ended December 31, 1996
 (Unaudited)

Beginning Fund Balance ²	\$66,404.60
Receipts:	
Appropriation	\$35,000.00
Interest	\$1,986.74
Other ³	\$1,878.25
Total receipts	\$38,864.99
Disbursements:	
Representational functions ⁴	\$15,985.53
Lodging/Per Diem	\$12,883.90
Miscellaneous	\$4,255.74
Total disbursements	\$33,125.17
Ending Fund Balance ⁵	\$72,144.42

¹The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

²Beginning Fund Balance represents the balance at January 1, 1996 of interparliamentary group funds carried over from the prior period.

³Other represents payment from Senate Group for shared expenses originally paid with House funds, reimbursement of unused cash advance and reimbursement from Representative Houghton for official expenses incurred.

⁴Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

⁵Ending fund balance represents the fund balance remaining at December 31, 1996 and available for use in a subsequent period.

Mexico-United States Interparliamentary Group

House of Representatives
Mexico-United States Interparliamentary Group
Schedule of Receipts, Disbursements, and Fund Balance¹
For the Year Ended December 31, 1996
(Unaudited)

Beginning Fund Balance ²	\$ 71,735.64
Receipts:	
Appropriation	\$ 40,000.00
Interest	2,480.64
Other ³	1,843.52
Total receipts	\$ 44,324.16
Disbursements:	
Representational functions ⁴	\$ 1,978.15
Interpreters/translation	894.71
Travel	2,353.15
Lodging/perdiem	3,742.63
Miscellaneous	1,276.74
Total disbursements	\$ 10,245.38
Ending Fund Balance ⁵	\$105,814.42

¹The Schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

²Beginning Fund Balance represents the balance at January 1, 1996 of interparliamentary group funds carried over from the prior period.

³Other represents payment from Senate Group for shared expenses originally paid with House funds and reimbursement of unused cash advance.

⁴Representational functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

⁵Ending fund balance represents the fund balance remaining at December 31, 1996 and available for use in a subsequent period.

United States-European Community Interparliamentary Group

House of Representatives
United States - European Community
Interparliamentary Group
Schedule of Receipts, Disbursements, and Fund Balance¹
for the year ended December 31, 1996
(unaudited)

Beginning Fund Balance ²	\$85,644.12
Receipts:	
Appropriation	\$50,000.00
Interest	\$ 2,436.01
Other ³	\$ 655.56
Total Receipts:	\$53,091.57
Disbursements:	
Representational Functions ⁴	\$42,456.84
Interpreters/Translation	\$ 4,400.00
Travel	\$ 0
Lodging/per diem	\$ 0
Miscellaneous	\$ 1,420.37
Total Disbursements	\$48,277.21
Ending Fund Balance ⁵	\$90,458.48

¹The schedule of Receipts, Disbursements, and Fund Balance is prepared on a cash basis.

²Beginning Fund Balance represents the balance at January 1, 1996 of interparliamentary group funds carried over from the prior period. The beginning balance has been revised to adjust for accrued expenses which were disbursed in a subsequent year.

³Represents reimbursement of deposit on facility after cancellation of meeting.

⁴Representational Functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control room costs.

⁵Ending fund balance represents the fund balance remaining at December 31, 1996 and available for use in subsequent periods.

United States Group of the North Atlantic Assembly

House of Representatives
 United States Group of the North Atlantic Assembly
 Schedule of Receipts, Disbursements and Fund Balance¹
 For the Year Ended December 31, 1996
 (Unaudited)

Beginning Fund Balance ²	\$123,680.23
Receipts:	
Appropriation	\$ 50,000.00
Interest	3,989.10
Other	<u>0.00</u>
Total Receipts	<u>\$ 53,989.10</u>
Disbursements:	
Representational Functions ³	\$ 24,735.37
Interpreters/Translation	5,728.72
Travel	226.00
Lodging/Perdiem	1,071.70
Miscellaneous	<u>1,774.69</u>
Total Disbursements	<u>\$ 33,536.48</u>
Ending Fund Balance ⁴	\$144,132.85

¹The Schedule of Receipts, Disbursements and Fund Balance is prepared on a cash basis.

²Beginning Fund Balance represents the balance at January 1, 1996 of interparliamentary group funds carried over from the prior period. As necessary, the beginning balance has been revised to adjust for accrued expenses which were disbursed in a subsequent year.

³Representational Functions include the costs associated with holding the interparliamentary groups' annual conferences. These costs include expenses for supplies, gift items, ground transportation, official delegation group meals, and control rooms.

⁴Ending Fund Balance represents the fund balance remaining at December 31, 1996 and available for use in a subsequent period.

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